placed under suspension for their involvement in opening of accounts which facilitated collection of such instruments. Similarly, Bank of Baroda has placed under suspension one Chief Manager and one Acting Chief Manager.

Reserve Bank of India has reiterated its instructions to the banks to strictly adhere to essential safeguards in the matter of opening/conduct of operative deposit accounts. The banks have also been directed to introduce the practice of obtaining photographs of depositors/account holders who are authorised to operate the accounts at the time of opening of all new operative accounts with effect from 1st January, 1994. In certain business pockets in Bombay, where the fraudulent encashment of payment instruments was reported to be prevalent, RBI has taken specific banches for inspection of Banks have also initiated action against the officials responsible for facilitating opening of new accounts in fictitious names either through active connivance or through non-adherence to prescribed procedure. Complaints have also been lodged with CBI/ Police authorities.

NRI Equity Participation in Private Sector Banks

1476. SHRI N. GIRI PRASAD:

SHRI N. E. BALARAM:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering a proposal to allow NRI's equity participation upto 40 per cent in new private sector banks; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) In terms of the detailed guidelines issued by Reserve Bank of India (RBI) for setting up new private sector banks, some of the applicants have indicated that they would endeavour to bring in funds from NRIs. The matter has been examined and it has been decided that NRI participation in the primary equity of a new banking company may be allowed to the extent of 40 per cent.

Cut in Subsidies

1477. SHRI N. GIRI PRASAD:

SHRI N. E. BALARAM:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government ment have been advised by the IMF to cut all subsidies at one stroke; and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) No sir, there has been no suggestion from the I.M.F. to ut all subsidies at one stroke. However, as a part of its process of fiscal consolidations, the Government is aiming at better targetting of subsidies.

State Governments Facing Losses of Revenue

1478. SHRI N. E. BALARAM:

SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that State Governments are facing loss of revenue due to the revenue linked reforms of the Central Government;

(b) if so, what are these reforms and the extent of loss being incurred by each of the State Government; and

(c) what alternative steps are being taken to compensate such revenue loss of the States ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) There is no loss in the total transfers, both plan and non-plan, to State Governments during the years 1991-92 to 1993-94 as is evident from the following figures :

(Rs. in crores)

	Total transfers to State Governments
1990-91 (Actual) . .	41421
1991-92 (Actual) . .	45159
1992-93 (Actual) . .	50637
1993-94 (BE) . . .	53833

There is, therefore, no adverse effect of the reforms measures of the Central Government referred to in the question on the total transfers to the State Governments.

(b) and (c) Does not arise.

Amount Written off by Bank

1479. SHRI CHATURANAN MISHRA: SHRI GURUDAS DAS GUPTA :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that three nationalised banks, Indian Bank, State Bank of India and Indian Overseas Bank decided to write off debt amounting to about Rs. 600 crores owed by a Non-Resident Indian owing a chain of spinning and weaving mills across Indonesia ; and

(b) if so, the details and the reasons therfor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) No, Sir.

(b) Does not arise.

New Branches of United Bank of India in North-Eastern Region

1480. SHRI DAVID LEDGER: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the United Bank of India has failed to open new branches in the North-Eastern zone despite Reserve Bank of India's instructions ; and

(b) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Reserve Bank of India (RBI) has reported that United Bank of India was allotted 79 centres for opening branches in North Eastern Region under 1985—90 plan. Out of them, 14 authorisation were pending with the bank. The reasons given by the bank for opening the branches at the allotted centres has ben generally lack of basic infrastructural facilities like non-availability of suitable premises, all-weather roads, telecommunication. For the State of Manipur, security aspect had also been highlighted in addition to the absence of basic infrastructural facilities. The banks have been advised to approach the concerned State Government for providing necessary infrastructural facilities. The validity period of the pending authorisations had been extended in stages upto 31-3-1993 to enable the bank to open branches at the allotted centres. On the expiry of the extended validity period at the end of March, 1993 it was decided to treat all the pending licences as lapsed/cancelled with effect from 1-4-1993. However, banks have been advised to approach Reserve Bank of India for issue of licences afresh after finalising premises etc. at the centres concerned.